

ORIGINATOR

DEPARTMENT OF STATE

# AIRGRAM

174 NPR 27 E  
7610 0113 B(1, R(5))

35 FOR RM USE ONLY

ED

Exempt from

A-26

CONFIDENTIAL

HANDLING INDICATOR

TO : Department of State

E.O. 11652: GDS  
TAGS: EAID, EINY, MASS, PFOR, PORG, SCUL, SNAR, AF, US

LIMITED DISTRIBUTION

FROM : AmEmbassy KABUL

DATE: March 21, 1976

SUBJECT: Annual Policy Assessment

REF : A. 11 FAM 212.4; B. Kabul 1765; C. Kabul 1837 (1975)

At the direction of the Ambassador, the U.S. Mission Kabul has completed its annual policy assessment. As in previous years, the assessment exercise was carried out in several stages. First a Mission-wide policy review was undertaken by a Review Committee appointed by the Ambassador with members drawn from, but not "representing," various elements of the Mission. The Review Group then presented the results of its deliberations to the Country Team in a series of open and wide-ranging meetings. From these joint meetings and subsequent Country Team meetings emerged the final Annual Policy Assessment, transmitted to the Department as Reference B.

This airgram transmits the Policy Review Committee's paper presented to the Country Team (Enclosure #1), and a dissent/supplement prepared by a Review Group member which, in the interest of openness, was also presented to the Country Team and is enclosed with this airgram (Enclosure #2).

There was substantial agreement between the Country Team and the Review Group in most major issues and points of disagreement were discussed candidly and frankly. Both the Country Team and Review Group agreed that U.S. objectives in Afghanistan as defined in 1969 need be expanded and refined. There was also agreement concerning most of the specific recommendations made by the Review Group.

Enclosures:

As Above

CONFIDENTIAL

FOR DEPT USE ONLY

☐ Is ☐ Oex

FORM DS-123

DIST:

POL (2)

DCM/AMB

AID/D

ECON

CHRON

Mar 30 11 42 PM 1976

Drafted by:

POL: Review Coordinator: LO Coldren: dp

Comments and Circulation Approved by:

DCM: R T Curran

Coordinated: Policy Review Group:

DAO: Cold Hutchinson

ECON: Larry Thompson

Peace Corps: Alvin G. Edgel

CON: Ryan Lenox

CSAID: Andrew Evans

USIS: Louis E. Polichetti

CONFIDENTIAL

Page 2  
A-26 from  
Kabul

The enclosures to this airgram are, however, preliminary documents written for one stage of the assessment process and do not represent the Country Team assessment which is to be found in Reference B. They are submitted primarily to complement the final assessment.

ELIOT  
by R-TL

CONFIDENTIAL

CONFIDENTIAL

Incl #1  
A-26 from  
Kabul

Fig 1 of 23pg  
1976 POLICY REVIEW

U. S. MISSION KABUL

Foreword

Within the guidelines for the annual U.S. Policy Assessment (11 FAM 212.4) there are a number of aspects of U.S. policy toward Afghanistan that might usefully engage the attention of a preliminary Review Group. Previous reviews have variously focused on attempted redefinition of U.S. interests in Afghanistan, steps to increase effectiveness of existing programs, and the impact that the style of the American community may have on our individual and organizational effectiveness. Most of the preliminary Review Groups' and all of the Ambassadors' Annual U.S. Policy Assessments undertaken since 1970 have harkened back to the 1969 "Country Policy Statement: Afghanistan" (NSCIG/NEA 69-23, August 6 1969) - the last NSC approved statement of U.S. objectives, policy, and strategy in Afghanistan. The strategy of the 1976 Review is somewhat different. The major focus is on political, economic and international events since 1969 - and especially since the July 1973 coup - as they relate to Afghanistan and bear on the realization of U.S. objectives as defined in 1969. These developments have specific relevance for the linkage between our objectives and the resources the U.S. expends in the Mission's programs, activities, and development assistance to Afghanistan. This in turn involves an assessment of the extent our presence has afforded and currently affords us leverage to realize our objectives.

NSC  
no.  
obj.

2 (1)(5)

CONFIDENTIAL

CONFIDENTIAL

Page 2

Why We Are Here.

According to our traditional justifications we are not here because Afghanistan per se is important to the United States. To quote from the Mission's 1971 Policy Assessment:

"For the United States, Afghanistan has at present limited direct interest: it is not an important trading partner; ... it is not an access route for U.S. trade with others; there are no treaty ties or defense commitments; and Afghanistan does not provide us with significant defense, intelligence, or scientific facilities. ("Policy Review: A U.S. Strategy for the '70's," Kabul A-71, 26 June 1971.)

b1  
NSC  
delete as  
marked

"1. An independent and non-aligned Afghanistan, willing and able to impose limitations on Soviet influence in its affairs.

2. The development of closer Afghan regional ties through the improvement of relations with Pakistan and Iran."

Counterbalancing the Soviets.

We have over the years become accustomed to the Afghan invocation of a "large and visible U.S. presence" to balance or offset Soviet influence, and used to justifying our programs and activities in those terms. There is a danger these expressions have become cant. It is important to be clear in what ways our presence and activities have (and do) counterbalance Soviet influence in Afghanistan.

There can be no question of taking "counterbalance" literally. In terms of proximity, historical importance, trade relations, military supply and training, or economic assistance the balance would overwhelmingly weigh on the Soviet side. To quote from USAID Kabul's "FY 1977 Congressional Presentation: Country Narrative" (p. 2):

"It (the USSR) holds 3/4 of the country's external public debt; performs the dominant role in the

CONFIDENTIAL

CONFIDENTIAL

Page 3

exploration and exploitation of Afghanistan's natural gas and oil resources; is a major trading partner, and maintains 3,000-5,000 technical and military advisors who work in Kabul or in the Northern Provinces."

Our ability to counterbalance the Soviet Union is primarily political and has both internal and external aspects. Fundamental in both regards is the perception since WWII, that the United States and the USSR are the two major world powers and that they are in opposition.

#### External

U.S. support for Afghan independence and non-alignment as evidenced by our presence and activities here has acted as a check on possible Soviet ambitions in Afghanistan:

- 1) by making apparent to the USSR our commitment to continued Afghan independence and non-alignment;
- 2) by so doing, strengthening both Afghan resolve for, and the feasibility of, imposing limits on Soviet influence on its external and domestic policies; and
- 3) by giving content to the Afghan claim of non-alignment. The belief by other states in the region that Afghanistan is controlled by the USSR would itself be a threat to regional stability.

#### Internal

Our development assistance programs have aimed at creating conditions of economic development, and governmental and institutional stability. Underlying such aims is the premise that economic stagnation and political instability are conditions fertile for the growth of Soviet influence.

Most of the activities and programs of the Mission include, primarily or secondarily, the exposure of influential or potentially influential Afghans, and the Afghan public at large to U.S. society, culture, institutions and American ways of organizing men and resources.

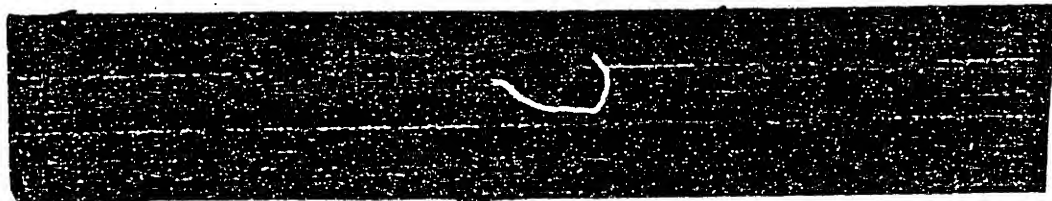
[REDACTED]

CONFIDENTIAL

B (5)  
ED

CONFIDENTIAL

Page 4



BC(1)(5)ED

In the 1969 NSC paper these strategies are explicit and derived directly from the objective of limiting Soviet influence in Afghan affairs.

NSC  
no dy

Linkage of Our Two Objectives.

The second objective identified by the 1969 NSC paper - the promotion of improved relations between Afghanistan and its neighbors - is primarily aimed at moderating the long standing Pak/Afghan dispute over "Pushtunistan". Severe deterioration of relations between the two countries might lead to regional conflict and instability, thereby increasing the possibility of major power confrontation in the region. The Pushtunistan issue, however, is also directly related to increased Soviet influence in Afghan affairs short of confrontation.

Afghanistan is and was accustomed to a bi-polar view of the world, its independence and separate existence depended for over one hundred years on the stalemate in British and Tsarist/Soviet imperial ambitions in the region. With the withdrawal of the British from the subcontinent in 1947, one side of that power equation was removed, and there appeared on Afghanistan's eastern frontier a new nation whose existence Afghanistan had opposed and whose mutual border it refused to recognize. Ever wary of its northern neighbor, the Afghan Government sought U.S. military assistance and territorial guarantees. Unsuccessful in that attempt and concerned over Pakistan's adherence to CENTO and SEATO, Afghanistan, in the early 50's, accepted Soviet offers of large scale military and economic aid.

The ardor with which the Royal Government of Afghanistan under then Prime Minister Daud pursued the Pushtunistan issue resulted in two major crises: in 1955 and from 1961-63. Both crises resulted in an increase in Soviet influence, in the form of loans and of permission for transit of goods through the USSR. The initial quantum jumps in Afghan/Soviet trade date to those years when the border of landlocked Afghanistan with littoral Pakistan was closed. In the later crisis the resumption of diplomatic relations and the opening of Pakistan for the

BC(1)ED

CONFIDENTIAL

CONFIDENTIAL

Page 5

transit of Afghan imports and exports were possible only after the partially voluntary, partially forced resignation of Mohammad Daoud.

In sum, the two U.S. objectives as defined in the 1969 NSC paper are closely related:

[REDACTED]

N.S.C.  
delete as  
marked  
b1

3(c) (ED)

4

CONFIDENTIAL

CONFIDENTIAL

Page 6

The Balancing Act Since July 1973

While Mohammad Daoud has been the historical vehicle for increased Soviet influence in Afghanistan [REDACTED] B(5)

He is fundamentally a nationalist and desires to put maximum feasible checks on Soviet influence in Afghan affairs. Daoud's domestic balancing act, the shifts in fortune of the pro- and anti-Soviet factions within the government are less germane to the focus of this paper than the external policies he has followed to offset Soviet influence.

One of the fundamental goals of Afghan foreign policy has traditionally been to balance Soviet influence by cultivating good bilateral relations with nations perceived as adversaries of the USSR. The major tactic in pursuing this goal subsequent to the withdrawal of the British from the subcontinent in 1947 has been, of course, the cultivation of firm and visible bilateral relations with the U.S. This policy has continued under the Daoud regime [REDACTED] B(1), ED

The importance Afghanistan attaches to good bilateral relations with the PRC is directly related to Sino-Soviet antipathy. The record of the Daoud regime's desire for good Sino-Afghan relations is clear. At the time of the 1973 coup, relations became decidedly cool as Peking initially appeared to see a Soviet hand in the coup which brought Daoud to power. In December 1974 Daoud's brother and principal foreign policy advisor Mohammad Naim, and Deputy Foreign Minister (*de facto* Foreign Minister) Abdullah travelled to Peking on an official visit. Upon their return to Kabul, the Deputy Foreign Minister stated that they had succeeded in convincing Chinese leaders that the coup "was purely Afghan, and nationalistic". Several weeks later a PRC aid commitment to Afghanistan of \$55 million was announced.

The role of the PRC vis-a-vis USSR was also evidenced in the burst of publicity given a non-official Chinese-Afghan Friendship group that visited Kabul just prior to the December 1975 state visit of Podgorny. The effusive Afghan elegies to Choi En-lai's international stature and world historic importance at the time of his death, could not have but rankled the Soviets and reminded them of the limits of their ability to influence Afghan foreign policy.

CONFIDENTIAL



Since the 1973 coup Afghanistan has successfully sought to widen options for foreign training of its military personnel. While the USSR remains the predominant supplier of military training as well as equipment, increasing numbers of military personnel are being sent to Egypt and India for training. This development must also be seen in terms of the Afghan objective of balancing Soviet influence. While Egypt and India do not have the same adversary relation with the USSR as do the U.S. and China, it is interesting to note that the GOA chose for military training two countries with considerable experience in dealing with the Soviet Union as a military supplier.

The rise in the economic, and political clout of the OPEC countries since the time of the NSC paper has been one of the most significant recent global developments. The increased stature and might of the Islamic members of OPEC has been welcomed by the government of Afghanistan, and the Daoud regime has assiduously and successfully courted the Islamic oil exporting nations for development assistance, most notably Saudi Arabia, Kuwait and Iran.

The massive Iranian commitment to Afghanistan affects Afghanistan's ability to counter Soviet influence. As this is one of the major turning points of the analysis of this Review, Iranian/Afghan relations need be touched upon in some detail.

Iranian-Afghan relations have historically been uneven. Religion has been a source of conflict. While both are Islamic countries, Iran is predominantly Shi'a while Afghanistan is Sunni. Afghanistan suffers from the poor cousin syndrome regarding Iran, and is also exceedingly sensitive to Iranian statements about common Persian heritage. This latter tendency is reinforced by Pushtun ascendancy in Afghanistan, as this ethnic group looks East rather than West for its linguistic and cultural ties.

In addition to these sensitivities, relations between the two countries following the July 1973 coup were cool. Iran was initially concerned that the coup was Soviet assisted and that the assumption of power by Mohammad Daoud marked another increase in Soviet influence in Afghan affairs. Further, Iran was concerned over the reinvigoration of the Pushtunistan issue and especially sensitive to Afghan calls for Baluch rights and autonomy. For its part the new regime accused the government it overthrew of selling out Afghanistan on the Helmand Waters Agreement.

CONFIDENTIAL

Page 8

Afghan/Iranian relations underwent a major breakthrough in 1974, largely at the initiative of the Shah. Iranian aid commitments to Afghanistan now total some 720 million dollars plus an Iranian commitment to financially assist Afghanistan in building its first railway, with a conservatively estimated cost of \$500 million. Iranian ability to deal with prickly Afghan sensitivities and the importance Iran gives to Afghanistan were well demonstrated by the treatment afforded President Daoud during his state visit to Tehran in May 1975.

Improving relations and strengthening economic ties between Afghanistan and Iran is an aspect of one of the two U.S. objectives defined in the 1969 NSC paper. [redacted] Iranian influence serves to counterbalance Soviet influence. This is not a startling assertion: it is the major intent of Iranian aid. [redacted]

NSC

delete as possible

b1

"This is a major development and good news for Afghanistan, Iran, the region and the U.S. Two highranking Afghans have told us that both countries have overcome their centuries-old complexes, involving cultural and religious differences, historical enmities and the rich-poor syndrome. The Afghans have decided to forge this new relationship to obtain economic and financial aid. But also [redacted]

[redacted] the GOA feels this development should end once and for all any notions in other countries that the new Republic of Afghanistan has any ideological ties to any other country (read the USSR). The GOA clearly feels that this departure from traditional Afghan policy is a demonstration of the Daoud regime's adherence to a pro-Afghanistan, pragmatic foreign policy. We agree." Kabul 4681, 29 July 74.

EC, ED  
B(1)

[redacted] Soviet concern over growing Iranian influence in Afghanistan was most recently manifested during Podgorny's December 1975 state visit to Kabul.

P(5) L-1

B(1)

[redacted] U.S. and Iranian policy re Soviet influence in Afghanistan are identical at present and there is no reason to believe they will diverge in the short to medium term. As they are neighbors, Iran's interest in checking Soviet influence in Afghanistan is more direct and vital

ED

CONFIDENTIAL

CONFIDENTIAL

Page 9

than for the U.S. Iranian aid is aimed at developing Western Afghanistan and increasing economic and trade links between the two countries. The U.S. has neither the desire nor resources to play the "numbers game" in foreign assistance to Afghanistan. However, if Iranian aid is implemented, Iran will become the largest single development donor to Afghanistan.

The importance of the Iranian connection is not confined to balancing Soviet influence in Afghan affairs. Iran has long-standing good relations with Pakistan and a vital stake in forestalling developments in the Pushtunistan dispute from escalating to the point where regional stability would be endangered.

[REDACTED] ED 3

It might be objected that Iranian aid to Afghanistan though massive, has yet to materialize. Given Afghanistan's difficulties in preparing the necessary feasibility studies and in effectively absorbing the vast amounts of foreign aid, it is premature to argue that Iran has already become a significant force in balancing Soviet influence in Afghan affairs.

It is true that the Afghan/Iranian economic and trade links will increase only as the agreed upon projects for Iranian financial assistance are actually implemented. However, it should be recalled that the modified Great Game that the U.S. has been a party to for these 20 odd years is primarily symbolic and political from our side. As was noted previously there can be no question of the U.S. literally counterbalancing Soviet influence and importance to Afghanistan. While Iran's potential importance in terms of trade and development assistance may in the future actually rival that of the USSR, the political significance of the Iranian connection is not potential, but actual, and lies in the good bilateral relations between the two countries as evidenced by the Iranian offer and the Afghan acceptance of massive economic assistance from the strongest regional adversary of the USSR.

[REDACTED]

NGC  
61  
+5

CONFIDENTIAL

CONFIDENTIAL

Page 10

b1 + 5

INSC

INSC

CONFIDENTIAL

CONFIDENTIAL

b1+5

7

NSC

While it is true that our programs and activities are important for the credence they give to U.S. support for Afghan non-alignment and independence, at the same time the U.S. has an independent interest in fostering the economic development of Afghanistan. As the Secretary of State has declared on various occasions, the future and survival of the industrialized nations and developing nations are inextricably linked. The U.S. has a real and vital interest in the economic and agricultural development of the LDC's. Further, there is a good case to be made that Afghanistan is a relatively good candidate for U.S. development assistance regardless of political objectives. While Afghanistan appears on the MSA (most seriously affected) list and is one of the six poorest countries in the world, nevertheless it has enough arable land, ordinarily sufficient water, and enough other resources to feed and clothe its people. As noted by the 1975 Review Group, Afghanistan also has the potential to become a net food exporting country.

b1+5

CONFIDENTIAL

Page 12

Subsidiary Argument: The 1973 Aid Legislative Guidelines.

Are our current development efforts in Afghanistan, aimed at directly aiding the poorest majority, well suited to achieving U.S. objectives in Afghanistan?

As was stated previously in this Review, both the USG and successive governments of Afghanistan have stressed that the primary importance of U.S. presence in Afghanistan is political and serves to counterbalance Soviet influence in Afghanistan.

"His [Daoud's] spokesmen have made clear that the motive is the same one traditionally expressed over the years by the monarchy; i.e., foremost a desire for U.S. political presence to help counterbalance overwhelming Russian specific gravity, and secondarily economic aid for development effort.

"Our program decisions here should reflect that parallelism, and should always be made with the overriding political interests in mind which have from the inception of U.S. assistance to Afghanistan been the bedrock justification for that assistance." 1974 Annual Policy Assessment Kabul 1090, 21 Feb 74

We no longer consider undertaking major infrastructure projects.

b1  
Many governments of developing countries, has a traditional tendency to prefer and to attach greater significance to the construction of roads, dams, airports, silos, state farms, etc.

It can be argued that Afghanistan now has a superfluity of funds for infrastructure projects, and that our programs offer a unique component of technical expertise not available from Afghanistan's new donors. Further, that our programs aimed at aiding the poorest majority very directly support the promises of the Daoud regime to upgrade the standard of living of, and services available to the majority of Afghans. By so doing our programs are a positive factor for internal political and economic stability

b1  
CONFIDENTIAL

CONFIDENTIAL

Page 13

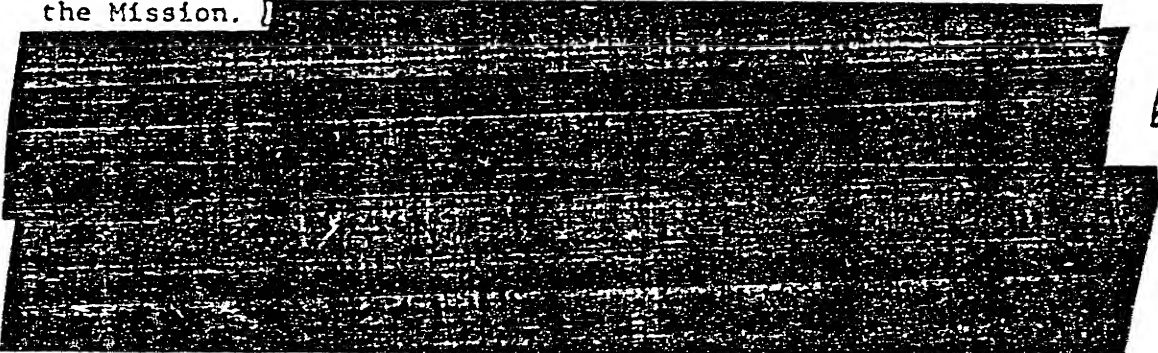
These are sound arguments, but do not counter the basic proposition that our present activities under the 1973 legislative guidelines are less suited to achieving the political and symbolic impact of U.S. presence than were our traditional projects in Afghanistan. This is a serious defect if our programs are justified solely in terms of countering Soviet presence. However, if the alternative presented previously is adopted - stating that the economic and social development of Afghanistan is a U.S. objective not entirely derived from our prime political objective - then this defect largely disappears.

On the Erosion of Our Resources.

The Mission is experiencing an erosion of resources available to carry out U.S. objectives in Afghanistan. For example, in the future we will have to cut the number of students who can study at U.S. universities on Fulbright scholarships and also probably cut the number of Afghan military officers sent for training in the U.S. The loss of a slot in the Economic/Commercial Section will make us less able to effectively exploit the increasing opportunities for U.S. firms to win contracts for projects funded by OPEC aid. (See Annex C)

The Review Group believes that the reduction in CU funds and the likely cutback in the MAP training budget and greatly increased costs will reduce our long term influence in Afghanistan far more than is apparent from the relatively small amounts of money involved in the cuts.

The positive impact of International Visitors' and Educational Exchange Programs is an established tenet of the Mission. ]



One possible conclusion of the analysis presented earlier in this Review is that a non-dramatic reduction in our presence and programs here would not imperil U.S. objectives as.

CONFIDENTIAL

b145

CONFIDENTIAL

Page 14

defined in the 1969 NSC paper. [REDACTED]

b1

s1+

25

CONFIDENTIAL